

MINUTES
BROWN COUNTY HOUSING AUTHORITY
Monday, October 19, 2015, 3:00 p.m.
City Hall, 100 N. Jefferson Street, Room 604
Green Bay, WI 54301

MEMBERS: Ann Hartman–Chair, Sup. Andy Nicholson–Vice Chair, Tom Deidrick (via phone), Adam DeKeyser, and Corday Goddard

OTHERS PRESENT: Robyn Hallet, Pat Leifker, Nicole Tiedt, Noel Halvorsen, Scott Schoeneman, Stephanie Schmutzer, and Zaland Wardak

APPROVAL OF MINUTES:

1. Approval of the minutes from the September 21, 2015 meeting of the Brown County Housing Authority.

A. Nicholson made a motion to approve and place on file the minutes from the September 21, 2015 meeting of the Brown County Housing Authority. The motion was seconded by C. Goddard. Motion carried.

2. Approval of the minutes from the September 25, 2015, meeting of the Brown County Housing Authority.

A. Nicholson made a motion to approve and place on file the minutes from the September 25, 2015, meeting of the Brown County Housing Authority. The motion was seconded by A. DeKeyser. Motion carried.

COMMUNICATIONS:

None

REPORTS:

3. Report on Housing Choice Voucher Rental Assistance Program:

- A. Preliminary Applications

- P. Leifker stated that for the month of September, ICS received a total of 250 preliminary applications.

- B. Unit Count

- P. Leifker mentioned that for the month of September, ICS had a unit count of 2,859.

- C. Housing Assistance Payments Expenses

- P. Leifker mentioned that HAP expense for September totaled \$1,128,160.

- D. Housing Quality Standard Inspection Compliance

- There were 390 inspections conducted, of which 210 units passed the initial

inspection 59 units passed a re-inspection, 81 units failed, and 40 units resulted in a no-show.

E. Program Activity/52681B (administrative costs, portability activity, SEMAP)

There were a total of 127 port outs for the month of September, with an associated HAP expense of \$107,478. ICS was underspent by \$10,635. FSS was also underspent \$4,241.

F. Family Self-Sufficiency Program (client count, escrow accounts, graduates, participation levels, new contracts, and homeownership)

N. Tiedt stated that there are currently a total of 79 participants in the FSS program. There are 46 individuals currently in level one, 10 are in level two, 13 are in level three and 10 in level four of the program. C. Goddard stated that the number of participants in the various levels, seem to be more evenly dispersed than normal. N. Tiedt stated that some clients have graduated from the program and others are on track to graduate in the near months. These are the main contributing factors to the more evenly distributed numbers of participants within each level of the program. There were two new FSS contracts and zero graduates for the month of September. There are currently 39 Escrow accounts, with a total of \$4,899 deposited in them. There are currently 58 homeowners.

G. VASH Reports (active VASH, and new VASH)

For the month of September, there were no new VASH clients. There are currently 28 VASH ICS participants and 8 Racine VASH participants. VASH participants for Veteran's Manor are not included in this count.

H. Langan Investigations Criminal Background Screening and Fraud Investigations

P. Leifker stated that for the month of September there were seven new investigations and five investigations were previously closed. There are still seven additional investigations that are still active. Langan Associates conducted a total of 192 background checks of which, 188 were approved, and four were denied. P. Leifker mentioned that the vast majority of fraud investigations were within the jurisdiction of the City of Green Bay.

I. Quarterly Langan Denials report

P. Leifker reported on the third quarter report of the program denials. He explained that the table provided shows if ICS itself or Langan Associates had denied an applicant, including the reason that ICS missed the denials. P. Leifker explained that this is solely due to the fact that Langan Associates has access to vital websites that ICS does not have. There were a total of nine such denials. P. Leifker mentioned that this number is higher than average, which may be due to the high number of applications processed for the quarter.

J. Quarterly Active Cases Breakdown

P. Leifker stated that the largest portion of the active applicants in the program, by percentage, is the elderly or disabled population, at 53 percent. The second highest percentage, at 38 percent, is the demographic of non-elderly/ disabled people that generate income. The third highest percentage, at six percent, represents non-elderly/disabled with no earned income and with dependents. And finally the fourth and last demographic, at three percent, represents non-elderly/disabled with no earned income and no dependents.

K. Quarterly End of Participation

P. Leifker stated that this quarterly report provides a breakdown of the terminations for the third quarter, in which there were a total of 124. He mentioned that the majority of the terminations were due to voluntary terminations, accounting for 36 percent of the total terminations. The second largest factor was due to family obligations violations, at 31 percent. The third largest factor was due to zero assistance/over income, at 13 percent. The fourth largest factor was due to the passing away of a client, seven percent.

L. Quarterly Customer Service Satisfaction

N. Tiedt stated that for the customer service report for quarter three, 95 percent of the customers rated ICS's service as either excellent or very good. She then allowed the Authority members to examine nine different customer satisfaction components, which account for the breakdown of the overall customer satisfactory score. Within each individual component, ICS scored above 90 percent when combining the categories of excellent and very good.

T. Deidrick asked why the score for the customer survey on the Condition of the Lobby had a total of 71 percent in the excellent category, when the majority of the reports consistently had a score in the eighties or higher. N. Tiedt responded by stating that there were no notes or suggestions provided to ICS by customers who participated in this specific survey, therefore there is no empirical evidence as to why the score is lower than the rest of the surveys taken. P. Leifker stated that a potential reason for the lower score may be due to the increased foot traffic that ICS has received in the last quarter. N. Tiedt stated that there were a total of 54 surveys collected and among them, there were a total of 441 check marks.

4. Report on use of Administrative Reserves and HCV lease up.

P. Leifker allowed the Authority to analyze the numbers of the Administrative Reserves and HCV lease up report. He indicated that the first two tables showed the number of clients that have been pulled from the waiting list since the month of May. The third table indicated the number of clients that are currently on the waiting list as of October 1st. Finally, he stated that ICS has invoiced the total additional cost of the Administrative fees to the Authority, which totaled \$9,724.

A. Nicholson made a motion to accept and place on file the agenda items #3 and #4. The motion was seconded by C. Goddard. Motion carried.

OLD BUSINESS:

None

NEW BUSINESS:

5. Renewal of continued use of Administrative Reserves to increase utilization rate within the HCV Program.

R. Hallet stated that renewal of the continued use of Administrative Reserves to increase the utilization rate within the HCV program had initially been approved for a total of three months with a maximum amount of \$32,000. In these three months, ICS has used up approximately one third of this approved amount in the effort to increase the utilization rate of the HCV program. R. Hallet explained that HUD Milwaukee has assessed the BCHA to still be underutilized; therefore the Authority needs to continue to put forth the extra effort to increase utilization. R. Hallet asked for the Authority's support in the continuation of the use of the administrative reserves, considering only one third of the funds originally authorized were actually used.

A. Nicholson asked for clarification of what amount has and has not been used and further, what the reasoning behind this initiative is. S. Schmutzer stated that ICS is only seeking an extension of the time period but the cap of \$32,000 remains and will not be changed. She reiterated that we need to increase utilization until we reach the maximum number of vouchers or sufficiently spend down the dollar amount in the HAP reserve. P. Leifker stated that HUD Milwaukee had advised ICS to aggressively call as many applicants as possible from the waiting list each month until at least February, 2016. He added that ICS has recently lost two employees, which has contributed to the low number of applicants pulled from the waiting list. He added that for the last three months, ICS has experienced an above average number of applicants. Despite the high numbers, ICS continues to deplete 75 to 80 percent of its waiting list on a monthly basis.

A. Nicholson asked if the renewal for the continued use of reserves can be limited to the end of this year rather than the proposed date of February of 2016. C. Goddard and A. DeKeyser asked A. Nicholson for his reasoning behind this. A. Nicholson generally stated that it would be to his liking if the Authority waited to assess the situation before allowing it to extend beyond this year end.

A. Nicholson made a motion to allow the continued use of the reserves until the end of the current year of 2015. The motion was not seconded by any members of the Authority.

A. Hartman asked if there are any consequences to the failure of the Authority to not use all of the funds by February, 2016. P. Leifker clarified that there are two reserves we are talking about: the Administrative Reserve, which can only be used for the

operations of the Housing Choice Voucher Program; and the Housing Assistance Payment (HAP) Reserve, which can only be used to make payments to landlords. The BCHA is on HUD's "Hot List" for having excessive HAP reserves. Through BCHA and ICS staff's conversations with HUD, it has been projected that by February BCHA will be fully utilized based on the number of vouchers available and that doing so will help spend down the HAP Reserves. C. Goddard affirmed that the reserves will be used to house as many additional citizens as possible. R. Hallet stated that this is not an unusual situation among PHAs in Wisconsin; many housing authorities are in a similar situation, in that they also are not meeting their target goals for achieving full utilization of their HCV program. A. Hartman asked for the reason behind this common issue that housing authorities are facing. R. Hallet stated that she can't speak for other authorities, but she mentioned that the BCHA acquired this problem from an increase in HUD funding in late 2014, but the Authority and ICS opting not to spend it at that time, not knowing if it would be quickly recaptured in 2015. It was not recaptured so now it is available to house as many families as possible.

T. Deidrick made a motion to approve the renewal of continued use of Administrative Reserves to increase utilization rate within the HCV Program until the last business day of the month of February, 2016. C. Goddard seconded the motion. Motion carried, with A. Nicolson voting no.

6. Review and approval of 2015 Fair Market Rents and Voucher Payment Standards. (The agenda item contained a typographical error and should have stated 2016 instead of 2015)

P. Leifker stated that the payment standards that ICS establishes for their clientele is based off of HUD's evaluation of the fair market rent for Brown County. He explained that the fair market rents for the year 2014 were fairly low, and then increased for 2015. For 2016, it is projected that those figures decrease slightly. He asked for the Authority's approval on keeping the payment standards from the year 2015 for 2016, which includes payment standards being higher outside of the City of Green Bay to encourage deconcentration. He stated that HUD allows for authorities to keep their payment standards within 90 to 110 percent of the fair market rents.

P. Leifker explained the figures available to the Authority are based on HUD's proposals for the FMR. Comments on the proposed FMRs were due on October 8, 2015, so at this point we are waiting for HUD to finalize these figures. R. Hallet clarified that staff is requesting the Authority to approve the dollar amount of the payment standards, as opposed to their percentage in relation to the FMR. In other words, if the final FMRs are slightly different from these proposed amounts, the percentage might be slightly different than indicated on the attachment, but the dollar amount would remain the same. P. Leifker added that his observation has been that the proposed figures have historically been adopted and established as the final. T. Deidrick pointed out that our program assists a large number of individuals on fixed incomes and it was just announced this week that the Social Security Administration would not be providing a cost of living increase in 2016. Since such clients will not be getting an increase in their

Social Security benefits, we need to be very careful not to increase the cost of housing for them.

A. DeKeyser made a motion to approve and the keep the dollar amount as proposed for the 2016 payment standards for the proposed areas A and B. Motion was seconded by C. Goddard. Motion carried.

7. Appointment of Interim Executive Director.

R. Hallet stated that since K. Flom resigned from her position as the Planning and Community Development Director, there is a need to name an Interim Executive Director until the position is permanently filled. Therefore R. Hallet asked for the Authority's approval to appoint her as the Interim Executive Director. A. Hartman asked how long she will retain the title. R. Hallet responded by stating that the Mayor has suggested that the City of Green Bay take a couple of months to reevaluate the duties and responsibilities of the Planning and Community Development Director's position, and make changes to the position, if need be. Therefore, there is not a definitive timeframe. A. Nicholson asked R. Hallet if she has filled such a temporary position before, to which R. Hallet responded that she had been the Interim Executive Director after the previous Planning and Community Development Director, Rob Strong resigned.

A. Nicholson made a motion to appoint R. Hallet as the Interim Executive Director, until the position of the Planning and Community Development Director has been filled. Motion was seconded by C. Goddard. Motion carried.

8. Discussion and approval of the renew NeighborWorks® Green Bay Project Based Voucher contracts.

R. Hallet reminded the Authority that this issue was brought to the Authority about a year ago at which time a one-year contract extension was granted to allow time for some issues related to the contract to be resolved. She summarized these concerns, starting with term of the contract: R. Hallet stated that due to a change in HUD regulations which allows for contracts to be extended to 15 years from the original limit of 10 years, NeighborWorks® is seeking an amendment to their contract to allow for a total of the 15 years permitted. Since a one-year extension was already granted last year, the contract could now be extended an additional four years. Regulations also allow for an additional 15 year extension after the initial 15 years has expired. HUD however does not allow for a contract to be extended more than 24 months before the contract's expiration date. Therefore NeighborWorks® is seeking a four year extension at this time and then in two years, they can request the Authority to approve a 15 year extension.

R. Hallet then went on to explain the second issue, which is regarding the number of NeighborWorks® contracts. She stated that there are currently three contracts in place with NeighborWorks®. Contract number one constitutes 36 single family homes. HUD

defines a single family home as a property with four units or less. In contract number two, there are two, eight unit multi-family buildings, which NeighborWorks® refers to as Navarino. In contract number three there is one, eighteen unit multi-family complex, which NeighborWorks® refers to as Westbridge, as well as eight single family homes. R. Hallet mentioned that due to unclear regulations, there was a concern over the inclusion of single family units within each contract, however this problem has now been resolved and the three contracts can retain the properties associated with them.

R. Hallet explained that the third issue is in regards to a 25 percent cap: HUD regulation state that no more than 25 percent of a four-unit or larger complex should be designated as project based. NeighborWorks® is seeking the support of the BCHA to covert the units that exceed the 25 percent limit into exception units, in order to resolve this issue. Exception units are not included in the 25 percent cap, due to its criteria being limited to only elderly, disabled, and/or families that are provided supportive services. NeighborWorks® would like to provide supportive services to the families in the complexes that are affected by the 25 percent cap.

A. Nicholson asked what percentage of the units would be rented as project based if supportive services were provided. He also asked for a clarification on what is meant by supportive services. R. Hallet stated that if supportive services are provided, then potentially 100 percent of the units can be project based. She also stated that supportive services can mean a variety of things, everything from providing life skills, budget counseling, helping elderly and disabled with transportation and oversight of medication, child care, and etc. She added that supportive services are similar to what is provided through the FSS program and would assist families to achieve a higher degree of self-sufficiency.

A. Nicholson asked N. Halvorsen why NeighborWorks® is seeking to exceed the 25 percent cap. N. Halvorsen stated that the contracts were originally approved without the inclusion of the 25 percent cap, which was due to either a misinterpretation of the regulations or the Authority itself had chosen to allow it. Regardless, NeighborWorks® has structured the performance of those properties accordingly and they'd like to keep that. He clarified that NeighborWorks® will promote their workshops and services to all the families in their rental portfolio, but the requirement to participate would only apply to the units at Navarino and Westbridge. He further explained that the supportive services provided by NeighborWorks® includes financial coaching workshops and one on one coaching/counseling, and a variety of community resources that aid in the effort to increase the financial self-sufficiency of the participants. He explained that this kind of coaching is something NeighborWorks® does all the time with potential homebuyers and this would be expanding such services to renters. He stated they began these workshops this year and already had 32 families express interest. The end goal for NeighborWorks® is to help participants eventually own their own home and be free of dependency of such programs. He added that all of the services provided are tailored towards the diverse needs of the individual. If the supportive services exception is approved, participation in the program would be mandatory if tenants in the affected units want to keep their tenancy.

R. Hallet introduced the forth concern, explained that federal regulation states that the project based voucher program must be consistent with goals of deconcentrating poverty and expanding housing and economic opportunities. Local policy incorporates this agenda by limiting the projects to census tracts that have a poverty concentration of 20 percent or less, or provides for other exceptions. Such exceptions include properties within census tracts that are undergoing significant revitalization as a result of state, local, or federal funds; census tracts where new market rate units positively affect the poverty rates in the area; census tracts with a total decline in the poverty rate in the last five years; or census tracts where there are meaningful opportunities for educational and economic development. The BCHA Annual Plan further states that the Authority will utilize project based assistance in areas that currently experience low utilization of the housing choice voucher program.

R. Hallet stated that she has done research to establish where the 114 project based voucher units that NeighborWorks® manages falls within each exception or the 20 percent poverty rate rule. She has concluded that 62 units fall under the census tract where the poverty rate is under 20 percent; 24 units fall under the first exception listed, roughly eight units fall under the second exception, and 20 units do not fall under any exceptions listed. These 20 units consist of 18 units at Westbridge and a duplex located at 1037 Dousman. Furthermore, 43 units are under a higher concentration of vouchers than the Green Bay average. However, the census tract with the highest concentration of NeighborWorks® project based units is 3.22 percent, which is approximately five percent lower than the five most highly concentrated census tracts.

C. Goddard asked which of the exceptions the Authority would use to base their judgments upon. N. Halvorsen stated that it varies upon the property examined. He further stated that the area that represented the 3.22 percent concentration experienced a 16 percent drop in the poverty rate. He mentioned that based on observations like these, it is fair to credit the improvements to the poverty rates to the voucher availability and resources available for people within that area. He explained that NeighborWorks® is not increasing the concentration of vouchers in each census tract and further, the provision of the services NeighborWorks® provides, particularly in the census tract for Westbridge, will increase the opportunities for educational and economic advancement. He reiterated that his request is to amend the contract term, and they would be back again in two years to discuss another 15 year extension. In addition to this request, he would also like the opportunity to report annually to the Authority on the progress made in program utilization.

A Nicholson summarized that there are two main areas of action requested: to extend the contract and to provide an exception to the 25 percent cap for supportive services for Navarino and Westbridge units. He requested these be voted on separately. He expressed he is in support of the exception to the 25 percent cap, but would like to limit the extension to one year instead of a four.

N. Halvorsen reiterated that Neighborworks® will provide an annual report thus requested that the Authority approve a four year extension. NeighborWorks® would be back again annually and in two years the Authority can consider that long term extension. S Schmutzer also highlighted that providing a four year extension would hold NeighborWorks® more accountable by means of the annual updates before deciding upon a 15 year extension. N. Halvorsen expressed a four year extension would provide him with more comfort in knowing the future of his organization's rental portfolio.

A. Nicholson made a motion to approve the provision of supportive services for the 25 percent exception in contracts two and three, including an annual report provided by NeighborWorks® on the progress of the supportive services. Motion was seconded by A. DeKeyser. Motion carried.

T. Deidrick suggested the Authority should consider not a four year, but a two year extension, since NeighborWorks® will be coming back again in two years to request a 15 year extension.

T. Deidrick made a motion for a two year extension of the NeighborWorks® Green Bay Project Based Voucher Contracts. This motion was seconded by A. DeKeyser.

C. Goddard stated that if the potential four year and 15 year contracts were to be approved, NeighborWorks® would manage the Project Based Voucher Program for a total of 30 years. Therefore, C. Goddard asked, if there are any consequences for the clients for potentially discontinuing the Authority's contractual relationship with NeighborWorks®. N. Halvorsen responded yes, explaining that clients would not be able to afford their rents and that NeighborWorks® would not be able to financially support the programs, forcing them to liquidate some properties. N. Halvorsen indicated that there are tremendous advantages to allowing for a potential 30 year contract with one organization. He explained these projects are a collaboration of HUD funding and community investments. Since NeighborWorks® involvement, most project based properties have undergone significant renovation due to using funds from the City of Green Bay, block grants, and various other resources provided by the community. He added that NeighborWorks® has made commitments to these properties and eliminating the project based assistance would leave them unable to uphold their end of the bargain. Terminating the contractual relationship with the BCHA would force NeighborWorks® to liquidate properties and leave clients unable to afford rent.

S. Schoeneman stated that NeighborWorks® financial competencies workshops are structured as an 18 month program. Instead of providing simple data such as attendance reports, they would rather provide meaningful reports which can only be possible with a longer term commitment. NeighborWorks® would rather report to the BCHA changes made in client credit score, savings, debt reeducation, and an insight on the overall financial security of the clients within the program.

A. Hartman reiterated that T. Deidrick had made motion which was initially seconded by A. DeKeyser to allow for a two year extension of the NeighborWorks® Green Bay

Project Based Voucher Contracts. The motion was brought for a vote. T. Deidrick and A. Nicholson voted aye for the approval of a two year contract. C. Goddard and A. DeKeyser voted nay. Breaking the tie, A. Hartman voted aye. Motion carried.

A. Hartman stated that she voted for only a two year extension due to her observations of increased drug activities within some of the communities that NeighborWorks® provides project based services.

INFORMATIONAL:

R. Hallet reminded the Authority of the agreed upon plan for the Lead the Way training. She provided a handout with step by step instructions on how to register for the training and stated she would also email it so Authority members could use the hyperlink. She reiterated that at the last meeting, the Authority generally agreed upon reviewing the Fundamentals section first and then to converse collectively about it at a later meeting.

BILLS:

Prior to S. Schmutzer's explanation of the bills, A. DeKeyser and A. Nicholson left the meeting. S. Schmutzer explained the three bills to be approved for this month. C. Goddard made a motion to approve and place on file the Bills. Motion was seconded by T. Deidrick. Motion carried.

FINANCIAL REPORT:

T. Deidrick had to leave the meeting, creating a lack of quorum. Therefore, no motion could be made on this agenda item. However S. Schmutzer stated there wasn't anything significant on the financial report this month and all activity will be included on next month's report.

STAFF REPORT:

7. The date of next the meeting will be November 16, 2015.

A. DeKeyser had previously announced that the December BCHA meeting will be his last meeting. R. Hallet will contact the County Executive's office to discuss a replacement.

R. Hallet stated that a new intern has been hired per the approval of the Authority in the previous meeting.

R. Hallet mentioned that A. Hartman's request via email for changing the time for of the regular BCHA meetings is feasible but it does have many obstacles in its path. She will explore this further.

The BCHA meeting for October 19, 2015, adjourned at 4:26 pm.

ZW:rah:jd